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FM AMEMBASSY SARAJEVO
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UNCLAS SECTION 01 OF 03 SARAJEVO 000059

SIPDIS

STATE FOR EEB/CBA (DENNIS WINSTEAD) AND EUR/SCE
COMMERCE FOR 4232/ITA/MAC/EUR SILVIA SAVICH
ZAGREB FOR PAMELA WARD

E.O. 12958: N/A

TAGS: [BEXP](#) [KPAO](#) [ABUD](#) [AMGT](#) [BTIO](#) [ECON](#) [EINV](#) [ETRD](#) [BK](#)
SUBJECT: BOSNIA: FY10 BFIF PROJECT PROPOSALS

REF: 09 STATE 126674

SARAJEVO 00000059 001.2 OF 003

11. Post appreciated EEB/CBA's offer of Business Facilitation Incentive Fund (BFIF) support. Per reftel instructions, we submit the following proposals in rank priority order. Our responses are keyed to reftel instructions.

RENEWABLE ENERGY SEMINAR, MAY 2009

12. a) Bosnia and Herzegovina (BiH) is a country rich in renewable energy resources, particularly hydro and wind power. While BiH traditionally has focused on developing the hydropower sector, which in some areas provides up to 60% of the energy supply, the country's wind energy potential has remained relatively untapped. Last year, however, the Herzegovina region -- the area richest in wind power -- began to actively attract foreign direct investment in this sector. Since August 2009, several municipalities in Herzegovina have awarded concessions to build wind farms, one of which was given to an Austrian company. In October, Germany announced a 46 million KM (USD 30 million) loan to develop a wind farm in the Podvezje municipality. Although Europe, particularly Germany and Austria, already holds a traditional advantage in BiH's energy market, there are still significant investment opportunities in the nascent wind energy sector for U.S. companies.

b) Embassy Sarajevo proposes a three-to-five day traveling seminar for interested U.S. companies and an Embassy-sponsored speaker/moderator. This group will travel to Sarajevo, Mostar, Livno, and Tomislavgrad to showcase U.S. technical and competitive advantages in wind power. Our target audience would include mayors, cantonal and Federation ministers of spatial planning, energy and science, interested non-governmental organizations, and local businesses. The project has the support of the Ambassador and DCM, and other sections in the Embassy, including USAID.

c) Our planning milestones are as follows. We must identify an appropriate expert speaker on renewable energy and wind power. We have several potential candidates, including Steve Burns, the Senior Energy Advisor for USAID's Europe and Eurasia Bureau. Mr. Burns is a well-known expert in the field and he has already agreed to participate in our program. We have also reached out to the American Council on Renewable Energy for suggestions on an appropriate speaker. Secondly, we hope to hold the event in late May or early June. The length of the seminar is negotiable and will reflect the time our speaker and business representatives have to spend in the region. However, we propose that the group visit a minimum of three cities in Herzegovina in order

to maximize our exposure. We must also identify three to five companies that would participate in the seminar. We have already received positive feedback on this proposal from General Electric's London representative. Lastly, we are seeking partner funding to supplement BFIF funds, which we hope to use to pay a small honorarium to the speaker or offset representational costs. Embassy Sarajevo's Office of Public Affairs has agreed to provide \$1,000.00 for the program, and we also may be able to negotiate a cost-share agreement with USAID to cover some travel costs if we choose Mr. Burns as our speaker.

d) Estimated Costs for the speaker/moderator are as follows:
Transportation costs for speaker from U.S.: \$1500
Seven days per diem (two half-day travel days): \$1400
Total: \$2900
(Honorarium: \$1000 - Cost-sharing; Representational Fees: TBD - Cost-sharing)

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PARTNER POST EXCHANGES - ZAGREB/BIH

13. a) In light of our continuing efforts to promote
SARAJEVO 00000059 002.2 OF 003

commercial diplomacy in BiH and to strengthen the partner post program between the U.S. Department of State and the U.S. Department of Commerce, Embassy Sarajevo proposes a joint exchange/training program with our partner post, the U.S. Commercial Service in Zagreb, Croatia. Embassy Sarajevo would like to propose sending our LES based in Mostar (Svjetlana Buhovac) and our LES based in Banja Luka (Spomenko Guzijan), to train for three days in the U.S. Commercial Service office in Zagreb. The Senior Commercial Service Officer and the LES serving in Zagreb have a wealth of experience that our LES can utilize in half the time and funds it would take to travel to FSI for the Commercial Tradecraft course. We feel that on-the-job training would best serve the two employees. In addition, we would like to propose three "Doing Business with the USA" mini-seminars in Mostar, Banja Luka and Sarajevo respectively, to be conducted by U.S. Commercial Service Zagreb staff. These seminars and any follow-on meetings are an efficient way to further utilize the capabilities of our partner post while promoting the advantages to working with U.S. companies. Post will look to co-sponsor these programs with the American Chamber of Commerce or use Commerce trust funds to cover mini-seminar hospitality costs.

b) The impact for the exchanges would be two-fold: 1) an increased understanding of the commercial services our staff in Banja Luka and Mostar can provide and 2) promotion of U.S. commercial diplomacy activities in BiH. In addition to the potential export promotion benefits the seminars and the exchange training would provide, the positive media attention would further other U.S. policy objectives in the country, including our desire to focus on strengthening Bosnian economic development and attracting foreign investment.

c) Planning milestones: Ideally, we would conduct the training exchanges first, with the mini-seminars to follow (i.e. Mostar/Zagreb exchange followed by mini-seminar in Mostar). However, personnel availability is a factor, and it is possible that the seminars could be completed first.

d) (Note: All five facets of this program (three mini-seminars and two LES exchanges) are not contingent on the other parts, thus EEB/CBA could choose to support only a portion of the program. End note)

Mostar/Zagreb Exchange

Travel - \$400

Per diem/MI&E (4 days) - $\$226 \times 4 = \904

Banja Luka/Zagreb Exchange

Travel - \$200

Per diem/MI&E (3 days) - $\$226 \times 3 = \678

Mini-Seminar Sarajevo

Travel - \$500

Per diem/MI&E (3 days) - $\$214 \times 3 = \642

Mini-Seminar Mostar

Travel - \$400

Per diem/MI&E (3 days) - $\$214 \times 3 = \642

Mini-Seminar Banja Luka

Travel - \$200

Per diem/MI&E (3 days) - $\$214 \times 3 = \642

Total Approximate Cost = \$5208

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PITTSBURGH COAL AND POWER CLASS

14. a) As a third project suggestion, understanding EEB/CBA has just asked for two, post would like to propose sending our Banja Luka LES, Spomenko Guzijan, to the Department of Energy/FSI Coal and Power Class, PE137 in Pittsburgh from July 19-23.

SARAJEVO 00000059 003.2 OF 003

b) Energy, specifically thermal and hydropower, is the most promising sector for U.S. exports in Bosnia and Herzegovina. Guzijan represents the Embassy's branch office in the Republika Srpska, the entity which has proven to be more progressive when it comes to advancing its energy objectives and looking for foreign investment. We believe Guzijan's participation in this training will help him better represent potential U.S. commercial interests in the power generation sector.

c) Our planning milestones are straightforward -- Guzijan will complete the course in July and follow-up with interested U.S. exporters on RS investment opportunities in the energy sector.

d) Travel, per diem, and MI&E for the five-day course will cost approximately \$6000.

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